

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Gainesville) DOCKET NO. 870688-GU
Gas Company for interim and) ORDER NO. PSC-94-0027-FOF-GU
permanent rate increase.) ISSUED: January 6, 1994
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION

ORDER CLOSING DOCKET

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

Gainesville Gas Company (Company or utility) served about 18,000 residential customers, 1600 commercial customers and 6 industrial or interruptible customers. On October 10, 1988, a final order (Order No. 20134) was issued by this Commission treatment disposing the utility's request for rate relief.

While the utility's rate case was progressing, an issue arose throughout the regulated industries regarding accounting for pension expense. This was the first case in which the issue was addressed by the Commission. Before it was concluded, a rulemaking docket (Docket No. 881170-PU) was opened to generically address the treatment of accounting for pension expense.

In Order 21034, the Commission ordered that \$42,995 of the revenue authorized to be held subject to refund, pending outcome of the generic rule docket. That amount represented revenues related to negative pension expense resulting from overfunding of a pension fund.

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FPSC-RECORDS/REPORTING

In January 1990, the Company's assets were purchased by the City of Gainesville and incorporated into the operation of the Gainesville Regional Utilities (GRU). As a municipal system, GRU is not subject to the Commission's economic regulatory jurisdiction.

REGULATORY TREATMENT OF ACCOUNTING FOR PENSION EXPENSE

To date no formal rule has been adopted by the Commission for the accounting treatment of pension expense. In industries other than energy, the Commission has consistently allowed the pension expense calculated under the Statement of Financial Accounting Standard 87 (SFAS 87), "Employers' Accounting for Pensions." In the electric and gas industries, the Commission has generally recognized positive pension expense calculated using SFAS 87, but treatment of negative pension expense has varied depending upon the record in the case. We find that the negative pension expense issue has been handled differently in the energy industries, and there is no generic policy regarding the recognition of negative pension expense. This coupled with the fact that the utility is no longer subject to this Commission's jurisdiction, the pension expense referred to in Order No. 20134 held subject to refund is considered moot and that Docket No. 870688-GU should be closed.

It is therefore,

ORDERED by the Florida Public Service Commission that no refund is required in this. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0850, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 6th day of January, 1994.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
MRC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 27, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.